

Manufacturers' Utilization of Plant Capacity: 2003

Issued October 2004

Advance Report for Fourth Quarter 2003

MQ-C1 (03)-1

The U.S. Census Bureau reports U.S. domestic manufacturing plants used an estimated 64 percent (± 1 percentage point) of their full production capacity for the fourth quarter of 2003 and 63 percent (± 1 percentage point) for the fourth quarter of 2002.

Durable goods industries in the fourth quarter of 2003 operated at an 8 percent lower rate (± 1 percentage point) than non-durable goods industries with a full production utilization rate of 61 percent compared to 69 percent for nondurable goods industries. Durable goods industries are manufacturing industries in which items have a normal life expectancy of 3 years or more. Nondurable goods industries are manufacturing industries in which items generally have a life expectancy of less than 3 years.

Advance processing industries for 2003 operated at an 8 percent lower rate (± 1 percentage point) than primary processing industries with a full production utilization rate of 62 percent compared with 70 percent for primary processing industries. Primary processing industries are industries in which products are generally the first processed output of raw materials in the manufacturing process. Advanced processing industries are industries in which products are considered finished manufactured items.

Industries with the lowest utilization rates of their full production capacity in the fourth quarter of 2003 were computer and electronic product manufacturing (NAICS 334) at 52 percent and leather and allied product manufacturing (NAICS 316) at 58 percent. Among the industries with the highest utilization rates for 2003 were paper manufacturing (NAICS 322) at 81

percent and petroleum and coal products manufacturing (NAICS 324) at 80 percent. Full production capacity is broadly defined as the maximum level of production an establishment could attain under normal operating conditions.

Industries with the lowest utilization rates of their national emergency production capacity in the fourth quarter of 2003 were apparel manufacturing (NAICS 315) at 32 percent and leather and allied product manufacturing (NAICS 316) and fabricated metal product manufacturing (NAICS 332), both at 33 percent. Among the industries with the highest utilization for 2003 were paper manufacturing (NAICS 322) at 73 percent and petroleum and coal products manufacturing (NAICS 324) at 70 percent. National emergency production is broadly defined as the greatest level of production an establishment can expect to sustain for 1 year or more under national emergency conditions. Both full production and national emergency production rates are shown in the accompanying table.

Since 1999, the industry classifications have been based on the 1997 edition of the North American Industry Classification System (NAICS) manual published by the Office of Management and Budget.

Data are obtained from manufacturing and publishing establishments by means of a mailed questionnaire. Respondents are asked to report their actual production, full production, and national emergency levels of operation for the fourth quarter of the year in terms of value of production. From these reported dollar values, utilization rates for full production and national emergency production are derived. Year-to-year changes in these

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rates are affected by changes in the estimated capacity of industrial plants due to factors such as capital expenditures, capital retirements, changes in the workforce, changes in prices, changes in product mix, and changes in respondents' estimates of productivity.

Final estimates are based on information collected from a sample of approximately 17,000 manufacturing and publishing establishments. Estimates in this release are based on response from approximately 75 percent of the survey panel. These estimates are preliminary and

subject to change as a result of additional review of the data. The estimates are subject to sampling and non-sampling error. The ranges indicated in this report are at the 90-percent confidence level.

The final publication will contain more detailed estimates at the six-digit NAICS level, a detailed discussion about the definitions of capacity levels, the limitations of the data, industry classification, and survey methods.

Address inquiries concerning these figures to U.S. Department of Commerce, U.S. Census Bureau, Manufacturing and Construction Division, Washington, DC 20233, or call Maryellen Buffington, 301-763-4701.

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Manufacturers' Utilization Rates of Plant Capacity by Major Industry Group: Fourth Quarters 2003 and 2002

NAICS code	Industry	Utilization rate (percent)				Standard errors			
		Full production		National emergency production		Full production		National emergency production	
		2003 ^P	2002	2003 ^P	2002	2003 ^P	2002	2003 ^P	2002
—	All manufacturing ¹	64	63	46	45	1	1	1	1
—	Durable goods ¹	61	59	41	40	1	1	1	1
—	Nondurable goods ¹	69	69	55	52	1	1	1	1
—	Advance processing ¹	62	61	45	43	1	1	1	1
—	Primary processing ¹	70	68	50	50	1	1	2	1
311	Food manufacturing	74	73	60	58	2	2	2	2
312	Beverage and tobacco product manufacturing	64	65	53	50	1	1	1	1
313	Textile mills	64	66	55	56	2	2	2	2
314	Textile product mills	73	66	52	46	2	2	3	2
315	Apparel manufacturing	65	72	32	31	2	2	2	3
316	Leather and allied product manufacturing	58	54	33	27	2	2	2	2
321	Wood product manufacturing	70	67	43	42	2	2	2	2
322	Paper manufacturing	81	81	73	71	2	2	2	2
323	Printing and related support activities	70	69	54	52	2	2	2	2
324	Petroleum and coal products manufacturing	80	80	70	68	2	2	2	2
325	Chemicals manufacturing	62	63	49	46	2	2	2	2
326	Plastics and rubber products manufacturing	73	68	61	57	1	2	3	2
327	Nonmetallic mineral product manufacturing	61	66	43	41	3	2	3	2
331	Primary metal manufacturing	72	71	60	58	1	1	1	1
332	Fabricated metal product manufacturing	61	59	33	36	1	1	4	2
333	Machinery manufacturing	59	57	38	37	1	1	1	1
334	Computer and electronic product manufacturing	52	52	38	38	3	2	2	1
335	Electrical equipment, appliance, and component manufacturing	62	60	45	44	1	1	1	1
336	Transportation equipment manufacturing	65	64	47	45	1	1	1	1
337	Furniture and related product manufacturing	62	61	36	36	1	2	2	2
339	Miscellaneous manufacturing	66	64	43	40	2	2	2	2
5111	Newspaper, periodicals, book and database publishers	85	81	79	69	1	6	1	13

^PPreliminary.

¹Excluding publishers.

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